

Congresswoman Anna G. Eshoo

AN UPDATE ON THE NEW MEDICARE PRESCRIPTION DRUG COVERAGE FOR SENIORS



Dear Friend,

In the coming weeks senior citizens will receive a great deal of information about the options and plans available under the new Medicare prescription drug benefit which becomes available on January 1, 2006.

To help you navigate this new system, I've put together some basic facts about how the Medicare prescription drug benefit works, what it offers, and how much it costs.

I realize how complicated this may be for you because each beneficiary has different circumstances. While I didn't vote for this legislation, I want you to know that we stand ready to help you understand what you're eligible for, and to explain the 'ins and outs' of the new plan. So don't hesitate to contact my office at (650) 323-2984, (408) 245-2339, or (831) 335-2020. We'll do everything possible to assist you.

You can also get more information by contacting the Medicare program directly at 1-800-MEDICARE (1-800-633-4227) or by visiting <http://www.Medicare.gov>.

I hope this information is useful to you.

Sincerely,

Anna G. Eshoo
Member of Congress

P.S. Some of you have already signed up for a prescription drug discount card with Medicare. The card expires at the end of this year and the new Medicare prescription drug benefit takes effect on January 1st.



ENROLLMENT

- **Enrollment** in the Medicare prescription drug program is voluntary. If you want to participate, you have to take action to sign up.
- **Medicaid recipients and all low-income Medicare beneficiaries** who already receive prescription drug coverage will be enrolled automatically. (You will receive additional information in the mail from the Social Security Administration.)
- **There are penalties for late enrollment.** If you currently receive Medicare benefits and you don't have any prescription drug coverage whatsoever, you will pay higher premiums if you sign up after the initial enrollment period ends.

If, however, you drop or lose your non-Medicare drug coverage, you can still sign up for a Medicare prescription drug plan after the initial enrollment period ends and avoid higher premiums, but only if:

1. You can prove that your non-Medicare coverage was at least as comprehensive as the Medicare drug benefit, and
2. You enroll within 63 days.



COVERAGE

- If you have **drug coverage through your employer or union**, you should contact your benefits administrator before enrolling in the Medicare prescription drug program to determine which coverage is better for you.
- If you choose to enroll in the new program, you'll have a **choice of prescription drug plans**. The plans vary as to what prescription drugs are covered, how much you'll have to pay out-of-pocket, and which pharmacies you can use.
- Medicare will cover **some brand name as well as generic prescriptions**. All plans will have an appeals process if you need drugs that aren't covered.
- **Before you enroll** in the program or select a plan:
 1. Check to see which plans cover the medications you need,
 2. Check to see which plans provide coverage at your local pharmacies, and
 3. Determine if the plan's monthly fees fit within your budget.



COSTS

- Costs will vary annually and will depend on the plan you choose. In general, you will pay for two things:
 1. A monthly premium (approximately \$37 in 2006)
 2. A yearly deductible (\$250 in 2006).
- If your drug expenses exceed the \$250 deductible:
 - For expenses **above the \$250 deductible, but under \$2,250**, you pay 25% and the plan pays the other 75%.
 - For expenses **between \$2,251 and \$3,600**, you have to pay all costs.
 - Once your drug expenses **exceed \$3,600**, you pay 5% of the cost and the plan pays the remaining 95% for the rest of the year.
- All costs mentioned above are in addition to the Part B premium for doctor visits which will cost beneficiaries approximately \$88.50 per month in 2006. (You pay for Part B out of your Social Security check.)



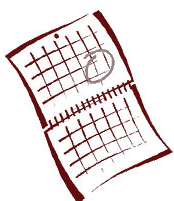
LOW-INCOME ASSISTANCE

- If you're single and your income is less than \$14,355, or if you're married and your combined income is less than \$19,245, you qualify for additional assistance*. The chart below illustrates how much your annual deductible, monthly premiums, and drug co-pays will be under the plan.

If your ANNUAL INCOME is....		ANNUAL DEDUCT.	MONTHLY PREMIUM	DRUG CO-PAY	
Single	Married (combined)			Brand	Generic
\$9,750 or less	\$12,830 or less	\$0	\$0	\$3	\$1
\$9,751 to \$12,920	\$12,831 to \$17,321	\$0	\$0	\$5	\$2
\$12,921 to \$14,355	\$17,322 to \$19,245	\$50	<\$26	\$5	\$2

- The Social Security Administration (SSA) will mail an application to those who might qualify for this assistance. If you think you qualify but haven't received any information yet about this coverage, call SSA at (800) 772-1213.

**If you're single and the value of your personal assets is more than \$11,500, or if you're married and the value of your personal assets is more than \$23,000, you may not qualify for this low-income assistance. This includes money in bank accounts, as well as the value of your investments, insurance policies, and real estate beyond your primary home. (Your home, vehicles, personal possessions, burial plot, and up to \$1,500 intended for funeral expenses are not counted in the asset limits.)*



IMPORTANT DATES

October 13, 2005

Medicare prescription drug benefit comparison information available through Medicare's Web site (<http://www.Medicare.gov>)

October 15, 2005

The Centers for Medicare and Medicaid Services (CMS) sends information to all beneficiaries describing the Medicare drug benefit plans available. *Low-income individuals covered by Medicare or by Medicaid will also receive information about how they will be automatically enrolled in a plan if they don't choose one themselves.*

November 15, 2005 to May 15, 2006 This is a six-month enrollment period for the Medicare

prescription drug benefit program. You can enroll by calling the company offering the plan, enroll through the company's Web site, or enroll through Medicare (1-800-MEDICARE or <http://www.Medicare.gov>).

January 1, 2006

You may begin using your new Medicare prescription drug card at local participating pharmacies.

May 15, 2006 and Beyond

The initial enrollment period for current Medicare beneficiaries ends. If you enroll after May 15, 2006, your premiums will increase by 1% for every month that enrollment is delayed.

**MARK
YOUR
CALENDAR!**

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OFFICIAL BUSINESS

Anna G. Eshoo
M.C.



HELPFUL CONTACTS

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(831) 335-2020
(650) 323-3498 fax

Washington, D.C. Office

205 Cannon Building
Washington, D.C. 20515
(202) 225-8104 phone
(202) 225-8890 fax

Centers for Medicare and Medicaid Services (CMS)

(800) 633-4227
<http://www.Medicare.gov>

Social Security Administration

(800) 722-1213
<http://www.SSA.gov>

Health Insurance Counseling & Advocacy Program (HICAP)

(800) 434-0222



For additional
information about the
new Medicare prescription
drug benefit, visit
<http://eshoo.house.gov/>.

Before you call...

Before you call to apply for the prescription drug benefit or to receive more information, please have the following information handy:

- ☒ Your Medicare identification number (you can find this on your Medicare card).
- ☒ A list of the drugs you currently take, the dosage, and how much you pay for them.
- ☒ Your refill schedule and preferred method of receiving prescriptions (pharmacy or mail-order).
- ☒ Your annual income, and a basic accounting of your personal assets in case you qualify for low-income assistance.